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STATE FOR ISN/CB, VCI/CCA, L/NPV, IO/MPR,
SECDEF FOR OSD/GSA/CN,CP>
JOINT STAFF FOR DD PMA-A FOR WTC
COMMERCE FOR BIS (ROBERTS AND DENYER)
NSC FOR FLY
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[1](#)B. THE HAGUE 280

This is CWC-46-08

SUMMARY

[1](#)1. (U) Consultations continued at what is, for the OPCW, a rapid pace with three budget meetings, and facilitations on Articles VII, X, XI and universality. None made much progress, but the budget discussions reached a climax with new documents proposing a 531,540 Euro adjustment that would require an increase in assessments and sent delegations frantically seeking guidance from capitals. The Host Country Committee met twice, with more progress achieved in three days than in many months.

[1](#)2. (SBU) The Western European and Others Group (WEOG) held its regular meeting and an emergency budget meeting after the new documents were distributed to plan responses and tactics. The Permanent Five members of the Security Council met to discuss universality and current issues.

WEOG

[1](#)3. (SBU) The Western European and Others Group (WEOG) meeting on October 7 focused on the state of budget negotiations, preparations for the upcoming Executive Council (EC) session, and the selection of facilitators for the industry cluster. Amb. Javits cautioned against micromanagement of the Technical Secretariat (TS) by becoming too involved in the drafting of key performance indicators (KPIs), and expressed U.S. support for an extra meeting of the Scientific Advisory Board (SAB). Swiss budget facilitator Martin Strub agreed that delegations should avoid focusing only on KPIs, and noted that the money freed up by a decrease in projected destruction activities was likely to dominate following consultations. Dutch, German, and UK delegations spoke up in favor of maintaining the balance between Chapter I and II in the budget; France spoke in favor of the Office of Special Projects (OSP) retaining the flexibility to effectively respond to the Director-General (DG).

14. (SBU) With regard to preparations for EC-54, delegations discussed Iranian efforts to remove the item on Enhancement of Other Chemical Production Facility (OCPF) Declarations from the agenda. Sweden reminded the group that the item was not "inserted," as Iran claims, but legitimately placed on the agenda by EC-53, and that Iran would actually need consensus to remove it. Italian delegate Giuseppe Cornacchia informed delegations of his recent conversation with Iran, after which he believes Iran will drop its request in exchange for a fuller discussion of the OCPF issue. Delegations also discussed Iran's last minute mention of a possible change in its Schedule 1 Facility Agreement (from "Agreement" to "Arrangement"), which it evidently intends to attempt at this EC. (In a separate conversation with the TS, Delrep learned that the Secretariat is also confused as to the reason and timing of this request.) The group also learned that the African Group intends to request membership on the Advisory Body for Administrative and Financial Matters (ABAF) for Morocco, Algeria, Kenya and South Africa, as there are currently no African experts on the ABAF. (Del note: Delrep learned later that the African Group had sent nomination letters to the DG for four Qhad sent nomination letters to the DG for four candidates -- all of whom are delegates based in The Hague -- to be approved at EC-54.)

15. (SBU) Surkau briefed the group on the results of a lunch she hosted for regional group coordinators, and noted that despite South Africa and Pakistan's emphasis on the importance of finding facilitators from all of the regional groups, there had been no objections voiced to the candidatures of Giuseppe Cornacchia (Italy) and Diana Gosens (Netherlands) for industry cluster facilitations. She also mentioned the fact that Poland had been raised as another possible candidate for a future facilitation. Germany noted that there are still more topics in the industry cluster that bear further discussion, including the third selection criterion for OCPFs and Schedule 1 and 2 inspection frequency.

16. (U) On the topic of other consultations, Surkau mentioned the fact that Article VII facilitator Said Moussi continues to steer delegations toward a decision. Italy also noted Cuba's apparent unwillingness to work further on elaborating a concept for an Article XI workshop. Under any other business, France briefed the group on the Vilnius Seminar on Sea-dumped Munitions.

17. (SBU) On October 9, Surkau convened a special WEOG meeting to discuss budget developments, as well as to provide an update on industry cluster facilitations. On the latter point, Surkau announced that Marthinus Van Schalkwyk (South Africa) had expressed his interest in facilitating consultations on OCPF enhanced declarations. While Gosens had originally volunteered for this role, she agreed to step aside in favor of having a non-WEOG facilitator. (Del note: Gosens told Delrep that she would consider taking on a different facilitation after January.)

ARTICLE VII CONSULTATIONS

18. (U) On October 7, Said Moussi (Algeria) held a meeting to discuss the recently-issued Article VII annual report. Legal Advisor Santiago Onate provided an overview of the report and highlighted that 96% of States Parties have designated a national authority. Germany, Italy and Russia expressed moderate satisfaction with Article VII progress but said that more needs to be done; Russia stated that Article VII obligations should be linked to other articles, such as being a prerequisite for Article XI benefits.

19. (U) Iran said that, due to the report's length and its release so close to the EC, it would not have enough time to review it fully and suggested deferring its consideration. Iran then raised its

objection to the specific mention of the "EU strategy against the proliferation of weapons of mass destruction," arguing that the specific EU program need not be named since no other donor's program was listed. The TS and several EU delegations defended the reference; France pointed out that the EU is specifically mentioned as a donor due to its not being a member state.

¶10. (U) As he had done during the previous consultation, Moussi again asked how to move forward to the EC and the CSP, specifically looking for support for a decision on Article VII implementation. In a change from their previous noncommittal QIn a change from their previous noncommittal positions, Germany and France both spoke in favor of a decision in order to enhance Article VII's visibility. Russia also supported having a decision. With most other delegations remaining agnostic, Iran was the only delegation to oppose a decision.

ARTICLE X CONSULTATIONS

¶11. (U) On October 7, facilitator Victor Smirnovsky (Russia) convened a meeting to discuss Article X (Assistance and Protection). The Secretariat was, as in past meetings, largely unable to explain its activities to the satisfaction of delegations. The first agenda item was a TS presentation on its participation in TRIPLEX 2008, a disaster response exercise held in Norway and Sweden (slides forwarded separately to Washington). The German and Russian delegations both noted that the scenario was not specifically within the mandate of Article X, and asked whether the Secretariat might not be able to develop or participate in a more targeted exercise.

¶12. (U) The Secretariat also introduced the DG's latest report on Article X Implementation, with the facilitator noting that this additional report (the second this year) was published in response to the CSP-12 mandate to conduct "intensive deliberations." Iran asked a number of specific questions, almost none of which were answered by the Secretariat. To counter possible Iranian assertions that the Council has not worked enough on this issue since CSP-12, U.S. Delrep expressed appreciation for the comprehensive report and noted that the Secretariat is clearly continuing work in this area, and that its capacity building efforts enhanced State Parties' abilities to respond to a CW scenario. Delrep also asked the Secretariat for a preliminary assessment of its excursions to "inspect" SP offers of assistance under Article X, the value of which a number of delegations have questioned. Assistance and Protection Branch Head Gennadi Lutay said that it was too early to make any assessment, but that the visits had been very useful.

¶13. (U) Iran noted that the Secretariat still has not responded to its suggestion that a list of needs or shortfalls in the area of assistance and protection be compiled. Previous facilitator Jitka Brodska (Czech Republic) then introduced the Czech non-paper on Article X. She noted that the paper focuses on the fact that the OPCW's main contribution in terms of cooperation with other organizations is expertise, and also emphasized that none of the elements in the paper were new concepts, nor did they represent a financial obligation. She expressed her delegation's hope that this paper might be used as a basis for further deliberations, in accordance with CSP-12 language. Delrep and others thanked the Czech delegation for its contributions and noted again that this shows that substantive work is already being done, and that the OPCW is usefully pursuing its mandate in this area. Iran suggested that the area of assistance for victims be explored further, and went on to the last agenda item, which was its proposal to establish a victims network.

¶14. (U) Iran asserted that the OPCW should lead any international humanitarian effort in response to a CW

attack, and again raised the prospect of longer term assistance, even indicating that some small financial burden might be incurred. The Iranian delegation suggested that the TS come up with a paper elaborating the needs of victims, to which the facilitator later responded that Iran itself might be in the best position to provide such expert information. Germany and the UK noted that perhaps a Secretariat analysis of gaps in existing emergency response capabilities might be more useful, to provide a better sense of whether or not the Secretariat and States Parties have everything they need to respond effectively. The consultation ended with no discussion of report language for the EC, nor any sense of what following consultations might consider.

P-5 MEETING

¶15. (SBU) On October 8 UK Ambassador Lyn Parker hosted his Chinese, French, Russian and U.S. counterparts and their delegations as part of a series of occasional meetings by the Permanent Five (P-5) members of the UN Security Council. The traditional topic for these meetings, Universality of the Convention, brought little news. The group discussed whether bilateral inquiries might help speed up Iraq's final steps toward accession. On Lebanon, the French delegation reported that the Director-General had indicated there is regional pressure on the new President and had invited Amr Moussa of the Arab League to visit The Hague. France urged bilateral efforts with Lebanon. Russian Ambassador Gevorgian noted that it is a "delicate matter" requiring consultation with Moscow. There was general agreement that Egypt, Israel and Syria are not likely to move toward accession any time soon, but that if Lebanon and Iraq join, there will be more pressure on the three hold-outs.

¶16. (SBU) On North Korea, Chinese Ambassador Zhang noted that there is no reference to chemical weapons in the ongoing Six Party talks and that those talks are at a sensitive point now. He advised that pressure from the P-5 would probably be less helpful than efforts to make the OPCW more attractive to the North Korean government as being in their national interests. Gevorgian replied that the recent completion of South Korea's destruction of their CW stockpile might help in that regard. He also asked whether former Dutch ambassador to the OPCW, Marc Vogelaar, newly appointed consultant to the DG on North Korea, had contacted any of the other delegations. Amb. Javits said Vogelaar had also called on him; the others had not been contacted. Amb. Javits said the issue is timing, that the Six Party talks now had an emphasis on the nuclear issues, and adding chemical weapons now would not be productive, but might be possible at a later date.

¶17. (SBU) None of the delegations thought that Somalia or Burma were prospects for membership yet. No one had any update on Angola. Amb. Javits reported that he had heard from the Foreign Minister of the Dominican Republic, which has adopted legislation and appears close to signature. He had not heard anything new from the Bahamas but noted that he had made CWC accession a priority for the U.S. Ambassador, an old friend.

¶18. (SBU) The discussion of "Any Other Business" proved far more lively. Amb. Javits raised the hostility of Iran to UNSCR 1540 and non-proliferation that is turning up at every meeting as Iran tries to expunge both terms from OPCW documents. Gevorgian expressed his view that the Second Review conference had stepped back from the Organization's earlier activities on counter-terrorism and non-proliferation. He said the Organization needs to come back to where it was before. French Delegate Annie Mari defended the Second RevCon Report language

citing all UN resolutions, and reported on the 1540 Seminar planned by the Clingendael Institute and the EU's additional day at the National Authorities QEU's additional day at the National Authorities meeting that would include a lunch-time speaker on ¶1540. She asked for ideas for the Open-ended Working Group on Terrorism, which she chairs, particularly whether others thought the seminar on non-proliferation held in Paris in March would be useful to extend to a wider group.

Amb. Javits noted that we need to work from the Convention and how it contributes to counter-terrorism efforts, and use OPCW as a forum for ideas without appearing to be trying to make it a counter-terrorism organization. He added that it is a big organization that can do several things at the same time -- disarmament, non-proliferation, and contribute to counter-terrorism. Gevorgian agreed completely with that view. Delrep cited chemical security as a possible avenue to pursue. Amb. Javits added that the chemical industry and associations should be involved. Parker agreed that an industry lead would be helpful. Zhang noted that for many countries, destruction is still the main purpose of the convention and that there are widespread concerns about non-proliferation. States' initiatives on seminars, etc. would be useful but the OPCW should not play the organizing role. UK and Chinese delegates noted that activities under Articles X and XI contribute to counter-terrorism, but Li Hong, the Chinese Deputy Perm Rep who chairs the Article XI consultations, noted that language used to describe these activities may cause concern among some states.

¶19. (U) Amb. Javits noted the importance of early identification of good Asian and African leaders for the Conference of States Parties in December, as those groups would hold the Chair and the Committee of the Whole. Li Hong reported that the Asian group would be meeting to discuss candidates.

¶20. (U) Gevorgian asked about the Vilnius conference on sea dumping, which UK, Chinese and French delegates present had attended. Li Hong stated that the chairman's summary from the conference noted the importance of the issue and that it should be monitored, but without giving any specific role to OPCW.

¶21. (U) The final item of other business was a Russian question for the Host Country Committee later that day on the banking crisis and Dutch government plans to safeguard diplomatic missions' accounts, as well as the OPCW account. Gevorgian noted that some embassy accounts in Brussels had been frozen with the collapse of Fortis Bank. (Del note: ABN-AMRO, which holds the OPCW's accounts and had been bought by Fortis last year, was partially nationalized by the Dutch government this past week along with Fortis' other Dutch holdings.)

BUDGET CONSULTATIONS

¶22. (U) On October 8, two new papers were introduced by the Deputy Director-General (DDG) at the meeting: the Budget Supporting Information Paper outlining the Secretariat's proposals for the calculated 531,540 Euro adjustment to the draft budget due to the revised estimates of Article IV and V inspection reimbursements, and the Draft Decision and Corrigendum containing all of the changes to the budget resulting from the consultations to date as well as the new 531,540 Euro adjustments (both papers faxed and scanned to ISN and IO). The DDG highlighted a mandatory 5% cost of living increase for all staff triggered at the end of September by an International Civil Service Commission (ICSC) decision. The TS plans to absorb the 2008 increase Qdecision. The TS plans to absorb the 2008 increase this year, and most of the increase for 2009, but proposed that 250,000 Euro of the 531,540 adjustment

be put toward these unexpected Verification and Inspection staff costs. He then outlined the new inspectors' training programs and new ICA programs for Africa that the TS included in the proposal, along with funding for a second meeting of the Scientific Advisory Board (SAB). The entire package, he emphasized, stayed within zero nominal growth, but would include a slight increase in assessments to member states (0.8% above initial 2009 projected rates or 0.6% above 2008 rates).

¶23. (U) Among the few questions asked by delegates, the Iranians questioned whether one equipment training program was double-funded with already purchased equipment; the TS responded that the new costs were just for the training, which had not been previously budgeted. Iran also asked about the staff cost increases and the requirement to pay them. The DDG explained the requirement at length. Delrep inquired whether the SAB funding included anything for the temporary working groups and whether the training and ICA programs were in priority order. The DDG responded that the SAB funding is only for one meeting, not the temporary groups, and that there is no particular priority established for the programs but all are new, not otherwise budgeted.

¶24. (U) During a follow-up meeting on October 9, the DDG defended the TS's revised budget proposal, saying that the DG had chosen to maintain the budget at 75 million Euro despite the reduction in Article IV/V inspections and the subsequent loss in income from Article IV/V reimbursements. He said that the revisions -- and the overall budget -- reflected the DG's judgment call but conceded it was up to member states to approve it. Germany pointed out the excess or windfall presented by the TS was actually a shortage that had to be made up by increased assessments. In response to India's question on how the new projects in the revision were chosen, the DDG admitted that they were of lower priority to those in the original draft budget but still added value to the OPCW's work.

¶25. (U) Iran argued that not enough money was allocated to ICA and that the entire 531,540 Euro should be used for ICA. Iran also asked why the TS had not raised earlier the ICSC-mandated increase in staff costs and said that the TS's first priority should be to cover obligations (such as the increased staff costs) before proposing extra programs. Reiterating his previous points, the DDG insisted that the TS will use administrative efficiencies to cover the estimated 1.9 million Euro staff cost increase.

¶26. (U) Delrep stressed that, given the current global financial crisis, the U.S. could not accept an increase in assessed contributions; the UK, Germany and Italy also noted that increased assessments would be difficult to accept domestically. In response to a question by South Africa, the DDG said that the proposed increase in assessment would be minimal, ranging from 5 to 160,000 Euro. The UK insisted that the adjusted 531,540 Euro should remain in Chapter 1 (Verification activities) and noted that the TS's proposal does not address the UK's desired increase in OCPF inspections above the additional 10 inspections proposed in the draft budget. A number of WEOG delegations intervened in support of keeping the money in Chapter 1 and the need to maintain a greater part of the budget for Chapter 1 rather than Chapter 2 to reflect the Organization's focus on QChapter 2 to reflect the Organization's focus on disarmament. In contrast, NAM delegations supported more funding for Chapter 2, specifically ICA programs, with many questioning the basis for Chapter 1's primacy over Chapter 2 and asserting that the "four pillars" of the Convention are equal in importance. (Del note: This latter position contradicts the NAM'S drumbeat on the primacy of destruction throughout the Review Conference process).

¶27. (U) Japan suggested -- as it did last year -- that the budget should be reduced instead of re-programming the 531,540 Euro and asked what the effect would be on future budgets as well as on the balance between chapters. The DDG said that a reduction in the budget would not affect future budget proposals; he also said that a reduction would result in a slight shift to Chapter 2 (50.13%) over Chapter 1 (49.87%).

¶28. (U) At the end of the meeting, Iran insisted that there is no reason to "rush" with budget negotiations, that the budget only needs to be finalized by the CSP. Responding to delegations' requests, facilitator Martin Strub (Switzerland) agreed to re-convene budget consultations on October 14 with a view to meeting every day during the EC's 2-hour lunch break.

¶29. (U) At a working dinner hosted by EC Chair Amb. Oksana Tomova (Slovakia) on October 9, Amb. Javits reinforced that the U.S. could not accept an increase in member states' annual assessed contributions. He stressed that he could not change his instructions on this and that in the current economic situation, the OPCW, like all other international organizations should be exhibiting prudent financial management as will governments around the world.

ARTICLE XI CONSULTATIONS

¶30. (U) On October 9, facilitator Li Hong (China) convened a meeting to discuss further the proposed Article XI workshop. Despite expectations that Cuba would follow up on its proposal for the workshop by chairing a task force to develop plans for the workshop, Li indicated that the task had been left to him; he circulated a draft paper that he prepared, building on the initial Cuban proposal. Acknowledging that his draft paper likely contained many substantive and stylistic errors, Li presented it as a work in progress that was meant to spark discussion. Essentially, the consultation became the very task force that had been considered during the previous consultation: delegates brainstormed, using Li's paper as a basis for discussion, and agreed to provide reactions and further ideas to Li before the next consultation for inclusion in the next draft of the working paper.

¶31. (U) Many delegations spoke in favor of the proposed interactive approach for the workshop. Several delegations, including Mexico, argued that the workshop should focus on developing concrete measures on Article XI implementation. A number of delegations also raised costs and funding: the Netherlands asked for a break-down of Li's estimated costs, and Japan suggested that funding could come from the 531,340 Euro "gold mine" unveiled by the TS on October 8. Li informed delegations that the workshop concept needed to be approved by the EC before it could be considered for funding and he indicated his intent to present the idea during his report to EC-54.

¶32. (U) During the meeting, Kumaresh Misra (Head, International Cooperation Branch) briefly presented the results of his branch's research into "Article XI literature" as had been requested by Iran at the previous consultations. He reported that a search of Qprevious consultations. He reported that a search of the external server yielded over 1,500 results amounting to hundreds of pages. Iran insisted that the TS should publish a compendium of the entire corpus of documents but other delegations agreed that a more concise list of document titles would be sufficient. Li stressed that the search should focus only on documents directly related to Article XI and not to the wider field of international cooperation and assistance.

HOST COUNTRY COMMITTEE

¶33. (SBU) At Amb. Javits' urging, EC Chair Tomova convened the Host Country Committee on October 8 to discuss its draft report before the EC and to get an update from the Dutch government on the draft Memorandum of Understanding (MOU) to allow access to the OPCW Commissary. The recently-appointed Ambassador for International Organizations at the Dutch Ministry of Foreign Affairs (MFA), Rob Zaagman, attended the meeting but was unable to provide the expected update on the MOU. Zaagman said that he had just received comments from the Customs Authority on October 7 and would provide them to the Committee shortly. After most members of the Committee expressed their frustration and dismay at the Dutch government's delay in finalizing the MOU, Zaagman agreed to circulate the Dutch government's response to the draft MOU the next day and also agreed to meet with the Committee on October 10.

¶34. (U) Committee members also raised the issue of parking, which previously had been discussed with the Deputy Mayor of The Hague in March (ref B), and requested Zaagman to follow up with the Municipality to provide a response. Russian Deputy Perm Rep Konstantin Gavrilov asked Zaagman what the Dutch government was doing to protect diplomatic missions' bank accounts, mentioning that the Russian Mission to the EU in Brussels had had its account with Fortis Bank frozen recently. Legal Advisor Santiago Onate noted that the DG already had been in contact with the MFA to ensure that the OPCW's bank accounts (including those used for its Provident Fund) would not be at risk; Zaagman promised to convey Gavrilov's concerns to the MFA's Director of Protocol.

¶35. (U) The Committee met on October 10 to discuss the draft MOU. As promised, Zaagman presented the Dutch government's response, and the Committee agreed in principle with the Dutch government's proposed amendments. However, due to a number of Committee members raising points for clarification on the draft MOU, Onate and Zaagman agreed to work with members of the Committee to redraft these relatively minor technical points before concluding the MOU.

UNIVERSALITY CONSULTATIONS

¶36. (U) On October 10, facilitator Lee Litman (UK) convened his first consultation on universality. Malik Ellahi (Head, Government Relations) presented the annual report on universality (EC-54/DG.13) and gave an overview of recent developments. Delegations welcomed Litman as the new facilitator for Universality and thanked out-going facilitator, Said Moussi (Algeria), for his work. France noted that it is maintaining contact with Lebanon and encouraging it to finalize accession to the Convention. A number of delegations called for raising the issue during high-level bi-lateral meetings and visits with non-member states and also stressed that coordination with the TS was necessary to complement its work.

¶37. (U) Japan reported that it had demarched Burma, Q37. (U) Japan reported that it had demarched Burma, Lebanon, Syria and Iraq to encourage them to attend the November meeting of Asian national authorities in Dhaka, Bangladesh. Lebanon plans to send a diplomat based in Pakistan or India (as Lebanon does not have representation in Bangladesh) to the meeting; Burma will not send anyone to the meeting due to time and money constraints; neither Iraq nor Syria have responded to the demarche yet. Ellahi shared that the TS had sponsored two Burmese officials to participate in a recent workshop on assistance and protection in Seoul, Korea; another two Burmese officials also had been sponsored to participate in a recent workshop for Asian customs officials. Ellahi also announced that the TS will sponsor two Lebanese officials to attend the annual National Authorities

Meeting in The Hague in November.

¶38. (U) Litman noted that there will be a workshop for countries from the Mediterranean Basin/Middle East in Turkey in April 2009, funded by the EU. Litman also promised to circulate draft report language for the CSP in advance of the next consultation.

¶39. (U) Javits sends.
CULBERTSON